

**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES  
OFFICE OF FINANCIAL AND INSURANCE SERVICES  
DIVISION OF INSURANCE  
CODE ENFORCEMENT DIVISION**

**ACTIVITY AND DISCIPLINARY ACTION QUARTERLY REPORT  
FINAL DISPOSITION**

**January - March 31, 2001**

- . SA (Settlement Agreement)
- . CO (Consent Order)
- . FD (Final Decision)
- . CP (Civil Penalty)
- . Bold Print Denote Summary Suspension
- . MC (Market Conduct Fee)

<b>Licensee</b>	<b>License Type</b>	<b>Violation</b>	<b>Status</b>	<b>Final Disposition</b>
Shapow, James F.	Life, A&H, VC	2005(a) Misrepresentation; 2064(2) Twisting – making misrepresentation or incomplete comparisons for purpose of inducing someone to take out a policy.	Closed	12/04/00 – CO; \$1500 CP.
Companion Life Insurance Company	Life	438(3) Company failure to respond	Closed	12/27/00 – SA; \$1000 MC.
Bandyk, Thomas	A&H, Life, Variable Contracts	1207(1) Failure to timely remit money which agent holds in fiduciary capacity; 1204(4) Lack of fitness or trustworthiness	Closed	01/02/01 – CO; Revocation
Continental Assurance Company	Life	438(3) Company failure to respond	Closed	01/02/01 – CO; \$2500 MC.
Pekin Life Ins. Co.	Life	438(3) Company failure to respond	Closed	01/02/01 – SA; \$1000 MC
Clarica Life Ins. Co.	Life	438(3) Company failure to respond	Closed	01/03/00 – SA; \$1500 MC.

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<b>Licensee</b>	<b>License Type</b>	<b>Violation</b>	<b>Status</b>	<b>Final Disposition</b>
Heritage Life Ins. Co.	Life	438(3) Company failure to respond	Closed	01/07/01 – SA; \$1500 MC
Valley Forge Life Ins.	Life	438(3) Company failure to respond	Closed	01/07/01 – SA; \$1000 MC.
Guardian Life Ins.	Life	438(3) Company failure to respond	Closed	01/11/01 – SA; \$2500 MC
Pan American Life Insurance Company	Life	438(3) Company failure to respond	Closed	01/16/01 – SA; \$750 MC
Golden Dental Plans, Inc.	AFDS	PHC 21025 Requirement to provide Division access to papers and documents relating to business and finances; 21034 Requirement to maintain levels of working capital and net worth; 21055 Requirement to indicate on all printed matter whether company operates on a profit or nonprofit basis; PHC Rule 6503(3) Requirement to maintain conflict of interest statements for its officers; 6340 Requirement to provide Division with a written description of the methodology used to determine prepayment rates; 6275 Filing of current bylaws with the Division of Insurance; 6355(1) Company to maintain errors and omissions insurance for its officers and directors	Closed	01/16/01 – CO; \$7000 CP.
Kunz, Frank	Life, A&H, MLP&C	249(a) Licensee failure to respond; 1204(4) Lack of fitness or trustworthiness	Closed	01/16/01 – SA; \$600 CP.

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<b>Licensee</b>	<b>License Type</b>	<b>Violation</b>	<b>Status</b>	<b>Final Disposition</b>
American General Life Ins. Co. of N.Y.	Life	438(3) Company failure to respond	Closed	01/17/01 – SA; \$5000 MC.
Sobh, Ali	Life, A&H, MLP&C	249(a) Licensee failure to respond; 1207(1) Failure to timely remit money which agent holds in fiduciary capacity; 2018 False or fraudulent statement on application for insurance; 2026(b) Failure to promptly act upon communication regarding claims; (e) Failing to affirm or deny coverage of claim within reasonable time; (f) Failing to attempt in good faith to effectuate prompt, fair and equitable settlement of claim; 2028 Commissioner's power to investigate the affairs of a person engaged in the business of insurance	Closed	01/17/01 – FD; Revocation.
Stewart, Joann J.	Life, MLP&C	3355 Application and deposit premium to be forwarded in accordance with MAIPF plan of operation; 1204(4) Lack of fitness or trustworthiness	Closed	01/18/01 – CO; \$500 MC; \$656 Restitution to Allstate.
Globe Life & Accident Insurance Co.	Life & Accident	438(3) Company failure to respond; 3355(c) Participating member be entitled to pay, a commission for placing insurance through the facility at the uniform rates of commission; 1204(4) Lack of fitness or trustworthiness	Closed	01/22/01 – SA; \$1000 MC.
American Creditors Life Insurance Co.	Life	438(3) Company failure to respond	Closed	01/24/01 – SA; \$2500 MC.

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<b>Licensee</b>	<b>License Type</b>	<b>Violation</b>	<b>Status</b>	<b>Final Disposition</b>
Mid Continental Administrators, Inc.	HMO	936(1) Failure to file financial statement – TPA	Closed	01/24-01 – CO; Frances Miller & respondent licenses cancelled effective 4/1/01; respondent to file financial statements for 1997-2000 by February 2, 2001.
Peninsular Life Insurance Co.	Life	438(3) Company failure to respond	Closed	01/25/01 – SA; \$1000 MC.
Cook, Jon	MLP&C	2005 Misrepresentation; 1204(4) Lack of fitness or trustworthiness	Closed	01/30/01 - CO; \$1500 CP; six month probation of license.
North American Insurance Company	Life	438(3) Company failure to respond	Closed	01/31/01 – CO; \$2500 MC.
Liberty Union Life Assurance Company	Life	1201(3) Not authorized; 1325(3) Failure to file registration statement; 1341(3)(a) Failure to notify commissioner in writing of intention to enter into a transaction; 1341(d) Failure to maintain books of transactions; 1371(1) Failure to file registration statement; 5240(1) Directors discharge of duties, acting in good faith, failure to perform duties and limitations of actions; 5248(1) Compensation of officers, directors, employees and agents; 5252(1) Prohibited personal interest of directors or officers; 5256(3) Removal of records violations and penalties	Closed	02/02/01 – CO; \$10,000 CP; Comply w/ form B of Section 1371(1) of Ins. Code.

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<b>Licensee</b>	<b>License Type</b>	<b>Violation</b>	<b>Status</b>	<b>Final Disposition</b>
AAA Life Insurance	Life	438(3) Company failure to respond	Closed	02/02/01 – SA; \$1000 MC.
Horace Mann	Life	438(3) Company failure to respond	Closed	02/06/01 – SA; \$1000 MC.
United Pacific Insurance Company	P&C	438(3) Company failure to respond	Closed	02/08/01 – SA; \$2500 MC.
Prudential Ins. Co.	Life	438(3) Company failure to respond	Closed	02/16/01– SA; \$1250 MC.
National Benefit Life	Life	438(3) Company failure to respond	Closed	02/21/01 – SA; \$3000 MC.
MCI General Insurance Corp.	P&C	438(3) Company failure to respond	Closed	02/22/01 – SA; \$2500 CP.
Allen, Stephen D.	Life, MLP&C	3355(b) Application and deposit premium to be forwarded in accordance with MAIPF plan of operation; 1204(4) Lack of fitness or trustworthiness	Closed	02/22/01 – CO; \$500 CP; \$118.00 restitution to Allstate
Hitchcock-Dery Agency, Inc.	Life, A&H, MLP&C	249(a) Licensee failure to respond; 1204(4) Lack of fitness or trustworthiness	Closed	02/23/01 – SA; \$1000 MC.
Bowen, Daniel G.	A&H, Life, MLP&C	1204(4) Lack of fitness or trustworthiness	Closed	02/27/01 – FD; Revocation.
Arce, Thomas A.	Life, A&H	249(a) Licensee failure to respond; 1204(4) Lack of fitness or trustworthiness	Closed	02/28/01 – SA; \$300 MC.

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Licensee	License Type	Violation	Status	Final Disposition
Various Markets, Inc. and	Surplus Lines	1920(1) Failure to offer surplus lines insurance to insurers which are stable  1920(1) Failure to offer surplus lines insurance to insurers which are stable	Closed	02/28/01 – Surplus Lines authority restricted to white list insurers (eligible, unauthorized insurers) for both respondents.
Mark Dupuis	Surplus Lines		Closed	
United Pacific Insurance Company	P&C	438(3) Company failure to respond	Closed	02/28/01 – SA; \$2500 CP.
Meridian Security Insurance Company	P&C	438(3) Company failure to respond	Closed	03/02/01 – SA; \$2500 MC.
Pinkney, Edward	Life, A&H	1207(1) Failure to timely remit money which agent holds in fiduciary capacity; 2018 False or fraudulent statement on application for insurance; 1204(4) Lack of fitness or trustworthiness	Closed	03/06/01 – FD; Respondent surrendered his license.
Kunz, Frank M.	Life, A&H, MLP&C	249(a) Licensee failure to respond; 1204(4) Lack of fitness or trustworthiness	Closed	03/07/01 – SA; \$1000 MC.

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<b>Licensee</b>	<b>License Type</b>	<b>Violation</b>	<b>Status</b>	<b>Final Disposition</b>
Kovera, Guy	Life, A&H, MLP&C	249(a) Licensee failure to respond; 1204(4) Lack of fitness or trustworthiness	Closed	03/12/01 – SA; \$500 CP.
Burnett, Christopher	A&H, Life, MLP&C	1207(1) Failure to timely remit money which agent holds in fiduciary capacity; 1204(4) Lack of fitness or trustworthiness	Closed	03/14/01 – CO; \$500 MC.
Derthick, Robert A.	Life, A&H, MLP&C	1207(1) Failure to timely remit money which agent holds in fiduciary capacity; 1204(4) Lack of fitness or trustworthiness	Closed	03/20/01 – FD; Revocation.
North Pointe Ins. Co.	P&C	2003(1) Unfair method of competition – prohibited trade practices; 2026(2) Failure to maintain complete record of all complaints; 2406(1) Filings by insurer on its own behalf; 2412 Filing requirements by insurers; 5214(4) Examination by attorney general; 5228(2) Bylaws, adoption, approval	Closed	03/27/01 – CO; \$5000 MC.
National Foot Care	AFDS	3513(2) Negative working capital	Closed	03/29/01 CO; \$750 MC.